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I A. New Housing construction Policy in Poland

Introduction

A new course in housing construction policy started in 1957/1958. This new policy was prepared by two committees, one government housing committee under the chairmanship of Stanislaw Tolwinski, 25X1

and the second, a party housing committee, under the chairmanship of Eugeniusz Szyr which worked in 1956/1958. The recommendations submitted by the government housing committee were broader than the new policy accepted by the party and Gomulka. The government committee recommended complete regulation of rents, a large amount of freedom for private housing construction, and full ownership including the right to sublet. The party committee accepted only a part of suggestions and the present policy is the result of a compromise settlement going only half way , and again burdened by party views, fears, and the desire to have a strangle hold over private property. The arguments presented by the government committee were used as slogans of the new policy. The main intention of the government committee was to mobilize private energy and capital for the construction of "its own housing"; the committee understood that a private citizen in exchange must receive full ownership rights and freedom in selection of a type of housing which he is to build. The new policy adopted by the party exploits the existing shortage of housing as an opportunity for extracting private funds, but it does not give the citizen full rights, and favors such organizations forms which use private means and still prevent the full ownership of a house or apartment constructed from these means.

There is a simple answer to the question of why private people agree to such a solution of restricted <sup>owner</sup> ~~ownership~~: First of all it is better to have some

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thing than nothing. The main restrictions are that it is forbidden to sublet, that one cannot build as large an apartment as he wants or needs, that it is difficult to build a separate house but much easier to participate in an apartment house under cooperative administration, that the composition of cooperative members is very often determined by a political point of view, class of origin, etc. However the shortage of housing is so great that the people agree to anything in order to get an apartment.

Secondly, the cost of an apartment is so high that hardly anybody is able to build an apartment or house entirely with his own money. He has to ask for state credit which is given with several restrictive conditions.

This does not mean that nothing at all is built without the aid of state credits. On the contrary, even more is built than one could expect. This problem of so-called illegal construction has been described in an earlier chapter. It should be only mentioned here that at least 20,000 "illegal" rooms are built yearly. An extract from an article published in the Polish daily "Zycie Warszawy", 23 May 1959, under the title "The voivodship construction industry gets very slowly into the swing" on page 6 quoted below, is a kind of confirmation of the fact that the illegal construction is still an important factor.

"..... Just this construction obstinacy is causing alarm in the Warsaw voivodship. Although the comparison of percentage with the past year does not look so bad, a more accurate analysis of these percents is very disquieting, especially in the suburban districts of the capital where the illegal constructions are still growing. About 50% of houses built in 1958 were without legal permission. This is impunity, at most a few hundred zlotys fine which is added ahead to the costs of construction is encouraging to it....."

As a rule a normal citizen can not build a house or apartment without the aid of state credit. In order to illustrate how much an apartment really costs when built by a cooperative or privately, [redacted] prepared the following

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calculations.

Housing construction cost in Poland in 1957 prices.

The cost can be determined:

- a. According to state prices in force for building materials and labor
- b. According to free market prices which are paid by a private citizen when he is building a small house for himself, or when he belongs to a small cooperative which is constructing small, one family houses or an apartment house for members of the cooperative, but such that every tenant is the owner of his apartment. This can be described in short as private housing construction, individual or cooperative, but with unrestricted ownership.

Individual private houses

The free market price for one square meter of usable area of a small one family house amounted, depending on the standard of equipment, to from 2,600 to 4,100 on average about 3,350 zlotys. Therefore the construction of a small house of 80 square meters usable area, excluding the building lot, would cost 270,000 zlotys. To this should be added the cost of land, of equipment, and connection with water, gas and electric network and supply system, cost of documentation, preparation of the building site, sometimes a small shed in the yard, etc. All this, including the cost of construction, is called investment outlay for a small house which amounts to from 3,900 to 5,200 zlotys for one square meter of the apartment's usable area, on average 4,550 zlotys. Therefore a modest small house of 80 square meters usable area including building lot costs 365,000 zlotys. This sum is equal to ten times the salary of a diploma engineer.

By the way it should be added that a small house of 80 square meters usable area is too small for a large family. A larger, normal, one family house of

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about 125 square meters usable area (four rooms, kitchen, a hall, bathroom, porch, etc.) costs 570,000 zlotys including the land, i.e., about 19 years salary of a diploma engineer.

Of course one can build a smaller house but even the smallest one of 50 square meters of usable area costs an average of about 226,000 zlotys, i.e. about eight years wages of a skilled worker.

In the bulletin of the Housing Institute I-M, published in January 1959

[redacted] there is an article of Skoczek Wladyslaw entitled "Initial analysis of the cost of a one family house" which gives the cost of a small house, built at less cost( it may have a well and a kind of septic tank but not be connected to water and sewer network and less comfortable facilities). Even the cheapest and smallest house of 50 square meters of usable area will cost 194,000 zlotys, i.e. about seven years wages of a skilled worker.

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[illegible]

Cost of a house of useable  
area in square meters of

~~in cheaper implementation~~

by human standards, neither the best  
nor the worst.

Total investment outlay	from 3900 to 5200	194 000	275 000	650 000
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The costs given on the preceding page indicate that a normal working man can never build a house with his own money. He must apply for state credit, and then the state enforces its requirements. The highest obtainable credit is 125,000 zlotys and on average, amounts to 75,000 zlotys.

Housing cooperatives

The state does not favor private individual house construction, it hinders it and instead supports the construction of apartment houses in the form of tenants' cooperatives.

There are various types of housing cooperatives, some in which ownership is fully guaranteed. i.e. similar to the housing cooperatives in Western countries, and these are not endorsed by the state. The tenants' cooperatives however, have the backing of the state in the following way:

- a. Priority in allocation of state credits
- b. Repayment of credits within 40 years (the ownership type cooperatives must repay the credits within 15 years)
- c. Credits without interest
- d. One third of each installment waived

In return for these advantages, the state administration selects and approves the members of the cooperatives, restricts the usable area in principle to 65 square meters, orders that apartment houses be built instead of individual houses, enforces more modest equipment and installations, restricts the right of disposal, does not allow subletting, etc. It should be stated that such tenants cooperatives have very little in common with private property, but people agree to all these conditions because at least an apartment in such a cooperative is not state property. It is something intermediate, a new conception invented in the new housing policy, securing for the state organs full rights of interference while providing an appearance of private ownership.

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In this way, the state has a good arrangement, it is drawing on private initiative, energy and private money, and is not losing anything of its power and of its right of dictating. It is already admitted at present that such tenants cooperatives do not have the character of private property at all. The above mentioned Tolwinski, who is deputy chief of the Ministers Council Office, writes in his article under the title "About planned inducements of new housing policy", published in Miasto NO 1 January 1959, page 4, as follows:

....." Allowing, according to the accepted concepts, two basic types of housing cooperatives- a socialized type or so called tenants' cooperative and an ownership type (housing-construction cooperatives)- it should be distinctly stated what ~~are~~ the rights and authority to dispose of own apartment in the cooperatives of the above mentioned second type are....")

As it is seen, a socialized, and not private, character of tenants co-operatives is clearly underlined.  a tenants' cooperative is in town the same as in the village is a production cooperative, i.e. a socialized form of property and not a private form of property. It is therefore understandable that the state is backing only such form of construction from the means of population i.e., a form which is least desirable to the population.

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Besides state credits the state gives the tenants' cooperatives some allocation of building materials sold at state prices. As a result of this, such an apartment may cost less than a small house built on the basis of free market prices. In such a case, 50 square meters usable area in a small house which would cost, according to free market prices an average of 226,000 zlotys, and built at the lowest standard 194,000 zlotys, could drop to 154,000 zlotys, i.e. 5.5. years wages of a highly skilled worker. Similarly, a small house of 80 square meters usable area which could be built for about 365,000 and, at the lowest standard 275,000 zlotys, could drop in cost to 219,000 zlotys, i.e.

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seven and half years salary of a diploma engineer.

The table on the next page gives costs of construction of small, one family houses according to calculations based on the approved prices of building materials and labor for a state investor in 1957 prices.

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CONSTRUCTION COST OF ~~APARTMENTS~~ IN SMALL ONE FAMILY HOUSES ACCORDING TO CALCULATION  
BASED ON OBLIGATORY PRICES OF BUILDING MATERIALS AND LABOR FOR A STATE INVESTOR  
IN 1957 PRICES IN ZLOTYS

	For one square meter of useable area	<i>Cost of house</i> <del>Apartment</del> of useable area in square meters	50	80	125
a/ Cost of dwelling house	From 2,100 to 3,300		104,000	158,000	409,000
b/ Total investment outlay	from 3,100 to 4,100		154,000	219,000	515,000

Remark: Among these apartments <sup>there</sup> is a difference in standard of equipment and installations .

The house of 50 square meters useable area has the lowest standard .

80 " " " " " a little higher standard

125 " " " " " high standard

Source: Article by Wladyslaw Skoczek "The initial analysis of <sup>the</sup> cost of <sup>a</sup> small one family house" published in the Bulletin of the Housing Construction Institute, Book 1-M, as enclosure to the Polish monthly Miasto No 1 January 1959, page 7.

Therefore if the candidates for the construction of apartments join together in a tenants' type cooperative, then first of all they will get an allocation of building materials more easily, secondly they can get at least a part of the building materials at the state prices ~~which~~ <sup>which</sup> can lower the costs of construction:

for a small house at the lower standard of equipment by 20%

for a medium house at a little higher standard by 27%.

The larger houses of 125 square meters of usable area are not allowed in tenants' cooperative<sup>s</sup>. In general the individual small one family houses are seldom built in tenants' cooperatives, when the cooperative, called in such a case Association of Individual Houses Construction, is a factory housing cooperative, i.e. was organized by factory workers under the patronage of a workers council.

The main pressure is exercised by the state toward the organization of tenants' cooperatives which are building apartment houses, i.e. large buildings housing several families, called in Poland "block construction" (Budownictwo blokowe).

As it is shown in the table on page 10 the cost of such an apartment is lower than for a small individual house, and amounts at state prices as follows:

Apartment of 50 square meters usable area,	146,000 zlotys
" " 80 " " " "	219,000 zlotys
" " 42 " " " "	128,000 zlotys

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CONSTRUCTION COSTS OF APARTMENTS IN SEVERAL FAMILIES APARTMENT HOUSES  
AT STATE PRICES IN 1957 IN ZLOTYS

	For 1 square meter of usable area	Usable area of apartment in square meters		
		42	50	80
1. Cost of apartment house from 1850 to 2150	90,000	101,000	147,000	
2. Total investment outlay : from 2750 to 3050	128,000	146,000	219,000	

Source: W. Skoczek, article under the title "The initial analysis of <sup>the</sup> cost of <sup>a</sup> small one family house" published in the Bulletin of the Housing Construction Institute, Book 1-M as enclosure to the Polish monthly Miasto No 1 January 1959, page 7.

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From the figures and tables given in the preceding pages it is clear that if anyone builds a small house of 80 square meters of usable area privately, he will spend from 275,000 to 365,000 zlotys depending on the standard of its equipment; but if he is a member of a tenants' cooperative, then an apartment in an apartment house will cost him only 219,000 zlotys. Similarly a privately built small house of 50 square meters will cost him from 194,000 to 226,000 zlotys; while an apartment of 50 square meters in a tenants' cooperative in a large apartment house will cost 146,000 zlotys.

In practice, a majority of people who want to build their own house must agree to join a tenants' cooperative, and for this reason there has been great development of these cooperatives during the years 1958 and 1959. The state favors housing cooperatives of a socialized character. The development of housing cooperatives, mainly of the tenants' type, is shown in the figures below.

	Outlays in billion zlotys	Number of rooms given for use	
In 1957	0.212	5,500	
1958	0.800	8,000	
1959	1.900	38,000	
1960	2.500	43,000	
1961-1965	23.000	400,000	
Of these 23 billion zlotys during 1961-1965 period, own means of the population will amount to $\frac{8}{5}$ billions			124,000 rooms will be trans- ferred in rough stage for the year 1966

If this were really private housing construction, it would be an impressive development. But this is not private housing construction, just as production cooperatives are not private peasants economy. At the beginning the population was not well informed about these new tenants' cooperatives (they were known before but they did not play any important role in housing) and of course the character of these cooperatives does not suit the population. They join the cooperatives from necessity, because there is no other choice. The trade unions, union of housing cooperatives, peoples councils, and party have

~~the right~~

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the right to control the solutions to the cooperative problems, and all this including the bureaucratic system of the Investment Bank, results in a complex system which does not differ at all from the state management.

The population feels this contradiction between the propaganda slogans and practice and character of this new housing policy, but at present does not oppose it very much for the following reasons:

a. The state deceives the population by speaking a lot about "own apartments", and it is extracting money for not owned apartments. On the other hand the people take the state credit without intending to repay it. What will happen if somebody will not pay the installment? A part will be deducted from his salary but not much. <sup>EVICTED</sup> ~~Eviction~~ from an occupied apartment is not taken into consideration, no one believes it would happen. How can worker tenants' be evicted from apartments, especially if non-payment is a mass action? <sup>A</sup> ~~Part~~ Part of the outstanding payments will be paid by the factory, and the rest will be cancelled. In this way the state will cheat the people and the people the state.

b. All this manipulation, which can be regarded as a kind of trick, because it is based on some evasion of the truth, nevertheless brings one profit, namely a future user is connected with the apartment. The state housing construction by the Administration of Workers Settlements (ZOR) which built houses for anonymous users produced highly negative symptoms. The user who is mostly interested in the house was eliminated from the entire process of building. At present the future user sees from the beginning his apartment, he is interested in the building lot, design, planning, time of construction, its costs, quality etc. All this contributes to the improvement of the construction, although the future user has a lot of difficulties and is often helpless before the enormous bureaucracy. In spite of that, personal energy is put into construction which no doubt gives further advantageous effects for both sides. <sup>C</sup> ~~The~~ maintenance

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and repairs of housing is improving very much. In an apartment assigned by the state, the tenant did not repair a thing, there was even general housing vandalism; at present a tenant although he is an owner with very much restricted right, this partial ownership is sufficient to make him take care of his apartment and this is a real gain for both sides. However the new housing policy encounters some resistance and mistrust, especially among the workers.

There are further difficulties, among them those caused by the problem of allocation of land for housing construction. It appears that the peoples' councils are not prepared or able to allocate land and building grounds to the people. There are various reasons. The free land and building lots have been reserved for years ahead by the Administration of Workers Settlements, which has already spent money for studies and preparation, and does not want to give up this land.

The new land and grounds are not yet prepared from the urban point of view because the peoples councils neglected this problem entirely. Finally it appears that there is really no land in Poland set in order from the legal point of view, which is a very odd problem. As it is known, the land was not nationalized (as it was done in USSR) and in fact the state is not the owner of land. The land or building lot must be bought. It is possible to compel an owner to sell land for industrial or other state construction by paying him a very small sum fixed by the state administration. A factory or ZOR acts in this way. There is however no law which allows the expropriation of one owner in order to permit another private owner to build. From the legal point of view, the tenant cooperative has no right to expropriate. There is of course another way. According to a prewar law concerning urban construction, an authority can order the legal owner of a lot to build a house on it, and if he does not comply within two years he can be forced to sell his lot. But this is only permissible when his lot is in a section of a town which has an approved development

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plan. Unfortunately many towns did not prepare such housing development and construction plans.

There are other circumstances. A number of grounds are so-called "abandoned". The owner is unknown or was killed during the war leaving no legal heirs. The town or the state took over temporary administration of such property and regarded it as its own. This was permitted as long as the state only administered it, but the state is not authorized to sell this "somebody's" land or lot to a group of private people. It is possible to declare him as "missing", but it is necessary to wait 10 years. The people councils did not start such proceedings after the WWII, and they have to do it now and wait, or the Sejm must pass a special law.

The only town in Poland which communalized the land (a kind of nationalization because the city, and not the state, is the owner) is Warsaw. It has an approved construction plan and the right to dispose of land and building lots but not much can be done yet because the executive directives have not yet been issued. The City of Warsaw will be the legal owner of this land after paying indemnity to the former owners. It is a complicated matter since the owners or their heirs have to be summoned by the court. This must be published three times and dates must be fixed, and of course there is a wait if somebody reports a claim.

It is difficult to find building lots in Polish towns<sup>s</sup>. Of course the towns should expand in the suburbs, but this is also not so simple because it is necessary not only to buy the land, which if it is not under cultivation is not very expensive, but also to build streets, prepare the ground and connect it with the utilities network, even if there is money for this, there are no materials for this purpose. Therefore one should not wonder that the housing cooperatives either get land far away from towns and not linked with public installations, or lots located nearer but usually already occupied, and its owner must receive

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substitute housing. The town or city must allocate the lot which is completely free and not inhabited. If there is a squatter, it undertakes to transfer the temporary dweller to an apartment house administered by ZOR, but the town demands 50,000 zloty for each room provided. If the housing cooperative pays this sum it has less money for construction. The workers usually object to such a deal if they have to pay several hundred thousand zlotys to the city for the allocation of <sup>a</sup> few rooms, because they feel that the city should allocate them a free lot which is prepared for housing construction and linked with utilities. The building lots are not expensive because the government decreed that the cost of a building lot can amount to 5 - 10% of the total cost of construction. This decision is quite illogical, because if the lot is used for the construction of a several story house the price of the lot automatically rises, and vice versa if only a small one story house is built on the lot. This is scarcely an incentive for the better use of building lots.

Finally, while the towns demand little for the building lots, they ask very high sums for lot preparation for construction: on ~~a~~<sup>an</sup> average in Warsaw about two million zlotys for one hectare of construction ground. The cooperatives do not have so much money (state credit amounts to a maximum of 75,000 zloty for an apartment) and as a result of this, the town prefers to allocate building lots to ZOR which voluntarily pays for the costs of preparation for construction and connection with utilities, because as it is known, ZOR is building for the state ~~and~~<sup>and</sup> with money allocated by the state from the yearly budget.

All these difficulties and unsettled problems are made more difficult by the enormous bureaucratic system at the peoples councils and at the Investment Bank which gives the credits. For example, each bank credit must be hypothecated against land while in many cases the records were destroyed during the war and it is very difficult to reconstruct the hypothecary register and carry out the necessary

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measurements and survey of land. For these services the cooperative must pay 2.5% of the total investment costs and this is shocking the people. Zycie Warszawy published on 23 April 1959, an article written by H. Buczynska entitled "Among the reefs- not only made from paper" which says:

"..... We should not delude ourselves that the principles of the new housing policy are enthusiastically accepted by all, especially if some decision hits somebody in person. The cooperative construction has not only enthusiastic people. Not only persons directly involved have such reservations as "not everybody can afford it", or "better situated people received housing for nothing but from a poor worker additional financial outlays are requested"..Enterprises are more willingly helping the individual than cooperative construction....  
... This psychological resistance which is widely felt despite the official declarations announced in conformity with the spirit of the new housing policy have <sup>4</sup>dis<sub>15</sub>trusted many of the cooperative activists (leader) ... It is necessary... to set in order the jungle of instructions, to systematize and simplify this complicated procedure which destroys the organizational efficiency of inexperienced new cooperatives... The lower one goes on the administrative levels, the less one finds an understanding of difficulties, ambitions and needs of the cooperatives".

There is an entirely different situation in this respect in the Western territories. Here either the state or the town is really the owner of land from the legal point of view, because the former owners, the Germans, who left this land were dispossessed by the law. The state or town is acknowledged as the owner of the land and of houses standing on it. The lack of maintenance and repair of houses by the state came out very strongly in the Western territories where the process of deterioration went farthest. Since 1957, the state or the cities began to sell small one family houses to the people who occupy them for very low prices because the rents are the lowest in the country. The selling price is low,

about 50,000 zlotys or less, so one can buy the entire house for as much as the price of one new room, and in addition the buyer can pay this sum by installments. The state is interested in selling for any price in order to get rid of the responsibility for maintenance and repairs. In addition, the income from these houses is so low that the state prefers to get rid of them than to pay for repairs every year and see how these houses quickly deteriorate.

One could expect that this sale of houses by the state to the users as private property should be developing quickly and on a large scale, but it is not so and for the following reasons:

A worker living in such a house almost for nothing reasons as follows: I am living almost for nothing at present and if it is necessary to repair something, I can lay a claim for it with the town municipal administration. When I become the owner the town will continuously demand something, it will order that I repair the house because it spoils the street, etc. I will pay no rent, but taxes, as owner, will be much higher than the present rent. Besides one does not know what kind of taxes will be imposed by the town on house owners when the state gets rid of the ownership of these houses. I will suddenly become an owner and the workers in the factory will look at me as if I were a capitalist. I will always have to fill in the paragraph "does the husband or wife have property" in forms and applications for the distribution of the factory fund for the state organized vacation, for admittance of my son at school or for a scholarship, for a passport etc. All the barriers, psychological, social and class restrictions, made by the party during the past 15 years (so thinks the worker) against the owner, in lower family allowances, higher contributions and taxation and economic discrimination will or may fall on me, so I will after all gain nothing from this change. I will occupy the same apartment if I buy it or not. If I buy it I will have to spend a few thousand zlotys for the yearly installments and as long as

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I have not paid all debts the state can always take over for non-fulfillment of the agreement and due installments. I will become a real owner after about 10 years and before that time another policy may come into force, they can pass a law on nationalization of land and houses.

It is simply a lack of trust in <sup>the</sup> state as a partner. Stanislaw Tolwinski wrote on this subject in the above mentioned article "About planned inducements of the new housing policy" in Miasto NO 1 January 1959, on page 6:

".....It is understood by the buyer that a financial effort must bring some profit; either the improvement of the present housing conditions or a provision against adding a new subtenant, or the certainty of repayment of invested savings with a percent of interest, if not the temporary possibility of gaining profits from the acquired property. Favorable conditions of buying (almost for nothing) very often frighten a buyer: They want to squeeze me into buying the house, to force me to expenses connected with its maintenance, but it cannot be sold before I pay, for it. If I do not pay an installment they can take it away. I do not know how high the taxes will be on this property. Something obtained too easily does not in general arouse confidence or result in the proper respect for the acquired object".... The sales of one family houses are not restricted to the Western territories, and are allowed all over the country. However in Central Poland the towns can very seldom show an ownership title as was explained before unless there were houses owned by Jews who were killed by Germans and no heirs could be found. For this reason the sale of small houses in central Poland will not expand as much as in the Western territories where the possibilities are larger. However the lack of political stability in these territories influences the people against buying a property in the West.

Anyway it is interesting to note that the intelligensia <sup>+</sup> is more inclined <sub>^</sub>

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to buy than are the workers. This attitude illustrates the lack of trust among workers in so called "worker-peasant peoples rule".

One of <sup>the</sup> very important causes of reluctance and lack of trust in sales of individual small houses is a feeling that the state is selling something that was stolen, because of how it was obtained by the state. The state is selling something that was not acquired in a normal, legal and just way. The people feel as if they were buying something from a gangster, knowing that he is selling so cheap because he got it illegally.

The people have no reservation about buying houses which were built by the state after WWII and the Government Housing Committee has suggested the sale to individual tenants of the apartment in houses built by ZOR. This suggestion was accepted by the government which intends to sell these apartment houses to tenants' cooperatives. In this way it secured the maintenance and repairs of these houses and in addition got some funds back, at least the first installments. One can not be certain if the people will pay later.

#### General conclusion

The new housing construction policy can be viewed from two points: The government propagandizes this policy as liberalization, as a departure -- in this <sup>s</sup>group of apartments constructed from the means of the population -- from state ownership and a transfer to cooperative ownership.

From the point of view of a private owner, this is only a change from state to cooperative ownership, both of which are a socialized, and not private, form of ownership. It is a similar situation as in villages <sup>as</sup> illustrated:

- a. Private peasant farm \_\_\_\_\_ private ownership of a small house
- b. Production cooperative \_\_\_\_\_ tenants cooperative
- c. State agricultural farm \_\_\_\_\_ state owned apartment houses

These are three sectors, but from the point of view of a citizen, only two sectors

- (1) Private
- (2) Socialized embracing paragraph b. and c.

In a word, there are no really new principles, nor is there any withdrawal by the state from its omnipotent position in housing. One could speak about a really new housing policy in Poland only if the following two conditions were fulfilled:

- a. Introduction of rational rents.
- b. Restoration of private unlimited ownership, at least of small one family and <sup>two</sup>~~one~~ family houses without any restrictions.

This was not done. The rational rents which would cover costs were not introduced, and instead of really private ownership of apartments and private housing construction, the tenants' cooperatives -- called housing kolkhozes by the people -- are being developed.

Nevertheless even this small concession by the state was sufficient to liberate an enormous energy of the population, some private funds, and really resulted in an increase of housing construction in Poland. It shows how much could be done if the people were permitted honestly and fully to take the housing construction in Poland in their own hands.

It is also possible to evaluate on this basis the reality of the housing construction plans from the means of the population. In spite of all reservations, doubts, and lack of confidence of the population in the new housing construction policy, it can be anticipated that the plan of construction of almost 500,000 rooms during the years 1959-1965 will be implemented at least 85%. This is even more realistic because at the same time the construction of these rooms was secured by the revival in 1957 of Peoples Construction Enterprises (SPB) and their development.

Peoples' Construction Enterprises have the following achievements and plan:

In 1957 built	2,247 rooms
1958 "	7,000 <sup>s</sup> "
1959 planned	15,000 "
1960 "	22,500 "
1965 "	77,000 "

according to Zycie Warszawy published on 4 June 1959.

Already in 1959, SPB is employing 20,000 workers and has put in operation 78 plants producing building materials and prefabricated elements, amongst which are 60 million bricks. In 1965, SPB plans to produce 400 million bricks, and the amount of prefabricated elements will grow from 113 million units in 1959 to 680 million units in 1965. In this way about 65-70% of the cooperative construction plan will be implmented by SPB, i.e., the supplies of building materials and the construction are fairly certain.

At the same time, further resistance of the population can be expected as they find out that the novelty of the housing policy is somehow calculated mainly for extracting 5 -6 billion zlotys during 1959-1965 period. The difficulties with payments of installments and interest on delays, and serious disappointments can be expected.

This Polish experiment is being watched by the USSR and other eastern Bloc countries. Khrushchev is also going partly in this direction in order to mobilize the means of the population for a large housing construction plan and to reduce pressure on consumer goods. In East Germany a housing construction program similar to tenants cooperative<sup>s</sup> has existed since 1948 and Ulbricht started in 1957 to reduce its scope [redacted] 25X1

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The future of this new housing policy in Poland will depend on whether the government will regulate the problem of rents as it is demanded by the Economic Council, or not, which is of course connected with the wage level. If not, there

is no great future for this development. Anyway this new housing construction policy has so far brought a revival and increase in housing construction in Poland.